

MINUTES  
SPECIAL COUNCIL MEETING  
CITY OF NICEVILLE, FLORIDA  
AUGUST 27, 2013

The Niceville City Council met in special session at 6:00 PM, August 27, 2013 in the Council Chambers, 208 N Partin Drive. All Council members, except for Councilman Nodjomian, and the Mayor was present. Also present were City Manager, Lannie Corbin; City Clerk, Dan Doucet; Public Works Director, Bruce Price; and a member of the press, Mayor Wise called the meeting to order at 6:00 PM.

**PUBLIC HEARINGS**

Budget Workshop – Water & Sewer Fund

Mr Doucet discussed the following budgetary revenue and expense items.

**400 -WATER AND SEWER DEPARTMENT**

**REVENUES**

Charges for Services	\$ 6,593,290
Miscellaneous	\$ 420,300
Non-Revenue & Other Sources	\$ <u>3,606,000</u>
TOTAL	\$10,319,590

**EXPENSE**

Last Year - \$13,499,090                      This year - \$ 10,319,590

Mr Doucet advised the Water & Sewer fund decreased in expense by 21.96%.

We did fund an employee to support the Re-Use Water Program.

**Professional Services**

Lab, Drug Testing, Line locations, and Engineering	Estimated Cost: \$ 180,000
GIS Tech Services (Polyengineering)	Estimated Cost: \$ <u>5,000</u>
	Total Cost:\$ 195,000

**Repair Maintenance Other:**

Replace Pump at Lift Station # 30	Estimated Cost: \$ 35,000
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Fire Hydrant Replacement (5 hydrants) 3,000 ea)	Estimated Cost: \$ 15,000
Fire Hydrant Height Adjust & Repair (10 units @ \$400 ea	Estimated Cost \$ 4,000
Valve Location / New Boxes	Estimated Cost \$ 5,000
Pump Motor Repair	Estimated Cost \$ 15,000
Sewer Line & Manhole Relines (1) Section of Palm Estates (5 year Plan + \$661,730)	Estimated Cost \$ 132,350
Water Well #1 Pull & Repair	Estimated Cost: \$ 55,000
Rehab Lift Stat. #27 (valve box, and discharge piping	Estimated Cost: \$ 20,000
Manhole repair/reline (3X \$3,000 city wide)	Estimated Cost: \$ 9,000
	Total Cost: \$ 290,350

**Repair Maintenance - Generators**

Generator Repair	Estimated Cost: \$ 15,000
	Total: \$ 15,000

**Repair Maintenance Contractual**

Water Tank Maintenance contract	Estimated Cost: \$ 52,000
Generator Maintenance Contract	Estimated Cost \$ 25,000
SCADA Maintenance 80 hours	Estimated Cost \$ 8,000
SCADA Repair	Estimated Cost \$ 15,000
Oder & Grease Control Service	Estimated Cost \$ 20,000
CCR Report	Estimated Cost: \$ 5,000
Bioxide Treatment	Estimated Cost: \$ 35,000
	Total: \$ 160,000

**Buildings:**

Water Well # 1 roof, vinyl eaves, paint	Estimated Cost: \$ 10,000
Well# 2 new Fluoride Room & vinyl whole bldg.	Estimated Cost: \$ 13,000
	Total: \$ 23,000

**IMPROVEMENTS OTHER THAN BLDGS**

Pipe & Storage Yard- Relocate	Estimated Cost: \$ 40,000
	Total: \$ 40,000

**Equipment****WELLS**

SCADA Pack Programmable Logic Controller Replacement (water wells and booster stations)	Estimated Cost:\$ 43,200
Replacement Well # 5 Generator & TX switch 225 KW (rewire power & controls \$10,000 included)	Estimated Cost: \$ 85,000

W-5 Soft Start 208-690 vac 170 AMP	Estimated Cost: \$ 2,000
W-5 US Motors H0125S2lg 125 HP 1800 RPM - Frame Vertical Hollow Shaft Non-Reversing Ratchet	Estimated Cost: \$ 8,500
(2) Chlorine Scales	Estimated Cost: \$ 4,000
(2) Fluoride Scales	Estimated Cost: \$ 2,000
(2) Chlorinators	Estimated Cost: \$ 3,000
(2) Fluoride Pumps	Estimated Cost: \$ 1,800

**LIFT STATIONS**

(1) Sewer Camera	Estimated Cost: \$ 150,000
(1) Truck with 6000 lbs crane	Estimated Cost: \$ 60,000
Sewer Chewer Lift Station # 55	Estimated Cost: \$ 27,000
Sewer mixers Lift Stations (#69;#13;#3; & #4	Estimated Cost: \$ 24,000
Transfer switch Lift Station #55	Estimated Cost: \$ 5,000
Wet Well Transducers (10@ 1,000 ea)	Estimated Cost: \$ 10,000

**LINE CREW**

Pipe trailer (bed over tires)	Estimated Cost: \$ 7,000
Street Saw	Estimated Cost: \$ 2,000
Mud Hogg Pump	Estimated Cost: \$ 4,000
Hand tool replacement	Estimated Cost: \$ 15,000
Sign stands X 4	Estimated Cost: \$ 800

**LOCATES & MAPPING**

New GPS (Handheld) & Software	Estimated Cost: \$ 10,000
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Arc View Concurrent User License

Estimated Cost: \$ 3,500

Total Cost: \$467,800

**Water System and Projects**  
**Water system upgrades & extensions**  
**Distribution System:**

**WATER PROJECTS**

Rocky Bayou Road 1000' 12" Water \$35.00 per ft)  
 750,000 - Gal Elevated Tank - 594.14

\$ 56,000 WE \*\*\*\*

\$2, 000,000\*\*\*\*(\$900,000 WE

\*\$1,100,000 2012 Bonds)

**Total: \$ 2,056,000**

**SEWER PROJECTS**

**Collection System:**

New LS Valp. & Bayshore Dr (replacement for LS #6)

\$ 400,000 \*\*\*\*\$ 200,000 SE

\$ 200,000 O&M

NVOC Process Upgrade

\$ 750,000 \* \$ 410,000 2012

Bonds (599.52) &

\$ 340,000 \*\*\*SE 599.54

Rocky Bayou Road Sewer Line Extension -1600'  
 Sewer (\$55.00 per foot)

\$ 88,000 SE \*\*\*

**Total: \$1,238,000** Total

**REUSE PROJECTS**

Reuse line on SR-285. 3600' 3 Road Bores  
 Meter reuse lines - 5 locations

\$ 200,000 SE \*\*\*

12,000 SE \*\*\*

**Total: \$ 212,000**

**GRAND TOTAL: \$ 3,506,000**

\* **Bond Issue Funds**

\*\* **SRF Funds**

\*\*\* **Sewer.Ext Funds - associated with growth.**

\*\*\*\* **Water.Ext Funds - associated with growth.**

\*\*\*\*\* **Pending Bank Loan/Bond Issue**

Water and Sewer Rate Proposal:

Mr Doucet explained that our engineer advises that we must have water and sewer rates in place that are sufficient to support or Capital Improvements, operating expense, bond payments, and provide coverages which have been promised in previous bond issues Mr Glenn Stephens, or consulting engineer recommends a 2.0% overall rate increase (1.0% for Water and 3.0% for Sewer),. He will provide you with a briefing on this matter during our special council meeting on September 12, 2013. In addition, Mr Bill Fray, Fray Municipal Securities (our finance advisor) will be here on the same night to brief you on our outstanding debt and Investments Program.

PROPOSED INCREASES:

Mr Doucet advised that currently the average residential customer uses 7,000 gallons of water per month with a billing of \$ 28.43. He proposed to increase the average monthly billing \$ .26 to \$28.69. The base rate is changed from \$11.55 to \$ 11.67. The first 2,000 gallons from \$2.58 to \$ 2.60 per thousand gallons.

Lawn Meters:

All water consumed: from \$5.00 to \$5.15 per 1,000 gallons.

Construction Water:

Each residential living unit from \$270.00 to \$ 275.00.

Each commercial unit from \$270.00 to \$275.00 per 1,000 square foot floor space or fraction thereof.

**SEWER RATE INCREASE**

The base rate will be increased from \$18.40 per month to \$18.95 and the per 1,000 gallon cost be increased from \$2.58 to \$2.66 not to exceed 16,000 per unit.

**NOTE: THE RATE FOR A 7,000 GALLON CUSTOMER WOULD INCREASE \$ 1.11 PER MONTH.**

He stated this change would also apply to:

Multiple Family, Apartments, Motels, and Trailer Parks

and all Non- Residential customers

Customers on Water Well connected to Sewer.

From \$59.53 a month to \$61.31 a month.

Customers not connected - Sewer Available:

From \$18.39 a month to \$18.95 a month.

Outside City Limits:

A surcharge of ten (10) percent shall be added

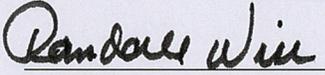
Mr Doucet provided a Water and Sewer Rate Comparison Chart for surrounding Utilities. The chart provides the results of a telephone survey made to utilities on August 20, 2013. Niceville ranks approximately 1.6% lower than the average rate.

He stated we have our tiered rates in effect that discourage high volume use. This method along with water restrictions (during extremely dry periods) help us to meet our permitted levels imposed by the Water Management District.

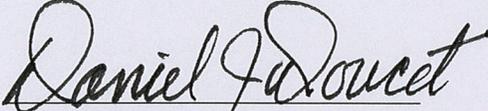
The council asked several questions regarding the need to raise rates. Discussion followed.

Mr Doucet advised that our first public hearing is scheduled for September 12, 2013 at 6:00 PM. Discussion followed.

The Meeting adjourned at 7:05 PM

  
MAYOR

ATTEST:

  
CITY CLERK